

The Journey to Infinity's New Facility

Board of Trustees

March 2018



INFINITY CHARTER SCHOOL

Our Model and Program

Infinity Charter School is a brick and mortar public charter school for grades K-8. Our school is located in the Central Dauphin School District. Our educational model specifically meets the needs of intellectually gifted and high achieving students using multi-age and multi-level classrooms, differentiated instruction in math and language arts, theme-based curriculum for science and social studies, and a fast-paced curriculum with little to no repetition. As a public charter school, Infinity is open to any child in the Commonwealth of Pennsylvania; however, the waiting list of families wanting their children to enter the school requires us to use a lottery system outlined in PA Charter School Law to determine enrollment.

Infinity's goal is to engage intellectually gifted children with an appropriate curriculum and social environment that challenges their skills and intellect. Infinity provides a learning space where intellectually gifted children can make friends with other students of similar abilities and interests, work hard, fail, persevere, gain tenacity, and ask questions to tackle difficult problems now and through the rest of their lives.

A Director/CEO, hired by the school's board trustees, is responsible for the curriculum, program, and day-to-day operations of the school. All of our teachers and para-professionals are certified teachers. Our director has held teaching and administrative roles in traditional public, private, parochial school, and charter schools. The Board of Trustees whose members are volunteers from the community oversees the school. Well over 100 parent volunteers and guest speakers from local businesses and universities take an active part in our educational process every year. Infinity graduates go on to attend traditional public, private, parochial, charter, and cyber high schools.

It is important to note that Public Charter Schools receive no money for capital building expenses and receive 25% less than local public schools to educate children.

Expansion—From Penbrook to Locust Lane

Infinity Charter School has successfully facilitated education for intellectually gifted children since 2003. The school began operation at a rented facility in Penbrook with 58 students in grades K-5 where Infinity grew to 150 students in grades K-8 and reached the maximum capacity of the building. It was necessary to move to a new facility where

growth was possible. Since building our new facility, the school has expanded to 215 students in grades K-8 with two classrooms available for additional growth.

As a charter school, Infinity receives 25% less per-student funding than other public schools in Pennsylvania, yet we have to pay for our facility, an expense other schools don't have. We rely on donations to help us offset that large extra cost, so that we can provide the best possible education to our students.

Infinity began searching for a building to own prior to opening in 2003. Charter school law greatly complicated the efforts to find a suitable location. The law states that the school must reside in the boundaries of the hosting school district, which is Central Dauphin. It limits the school to one building even if multiple buildings were located on the same property. It was determined that Infinity needed a minimum of 5 acres within Central Dauphin school district boundaries accessible by bus with one building large enough to function as a school. Infinity board members, parents, and multiple realtors searched for more than a decade to find a suitable property that fit within the school's budget and met the physical needs for our school. On two occasions between 2003 and 2013, the board came close purchasing property.

To complicate matters, the law as written in 2003 also specified that a charter school could not own a building; the school was required to rent the facility from another entity. As plans were made to purchase one of the properties, the board simultaneously went through the legal process of creating a separate entity/business that would buy and build the new school so the school board could then rent the building from that entity. They also prepared for a capital campaign with an outside fundraising agency, chose an architect, and had the building designed using funds saved through extreme frugality during the previous years of operation. Infinity was in this process when both potential properties were lost to other buyers. Finally, when the recession hit the country in 2008 all plans were put on hold; because the fundraising feasibility study showed it would be nearly impossible to raise the \$8-10 million dollars needed to fund the project

Charter school laws changed since 2003 concerning owning property. Charter schools now have the right to own their buildings and land. Shortly after the laws changed, the Locust Lane property came on the market again and the board of trustees was ready to act quickly. In 2014, the board members secured the purchase, and Infinity Charter School became the proud owners of the property where our school now stands. The school was not in a financial position to begin construction immediately, but did not want to lose the property again after seeing how difficult it was to find properties that met our complex needs. There was great enthusiasm by the Infinity community to see a new school built, but enthusiasm waned as a couple years passed with no construction underway on the new property. Though everyone wanted to see construction started right away, an enormous amount of work was necessary prior to breaking ground.

Roadblocks and Raising Funds

When our founder, Nancy Hall, retired from the Director's position in 2012, she took with her a great deal of expertise and knowledge that the board needed to replace. The board

took the time necessary to learn the new laws and the full legal process for building a school.

Prior to getting the building process fully underway, the board of trustees hired a charter school consulting company to give us financial projections for school growth. The projections from this study showed that Infinity would close due to lack of revenue unless the school could increase the number of students it served. There was no room to add more students at the Penbook location; therefore building a new facility was imperative.

Infinity is a public charter school that uses public money; as such, there are specific rules about soliciting bids, paying prevailing wages, and hiring criteria. The school could not hire anyone they chose or find the company with the lowest prices, but needed to follow clearly defined steps or risk closure. It took half a year to vet and select our architect.

In December 2014, environmental studies were completed that returned a two-inch binder of information dating back to the 1930s, complete with pictures. Geographic studies required drilling two dozen holes where the foundation would be. Environmental protection, traffic studies, water hookup, and electrical hookup followed. During that time, we learned that Locust Lane has a septic tank whose location had been lost over the years (we expected to find and remove it during construction but we never did find it) and that the building did not have an occupancy permit since before 1983 when it was a Moose Lodge. Contractors removed asbestos and mold from the building. While some projects were conducted simultaneously, others had to be sequential, and all of them had to be completed before we could get into the specifics of the design. These activities took another six months to complete.

A Building Committee, consisting of parents with professional experience in architecture and engineering, worked with the architect and engineers to create the new design. After a few months, we had plans and cost in hand. At that point, we needed to put all the pieces in place to fund the building. This required a Request for Proposals to select a bank to fund our school. Approximately one and a half years after the land purchase, the board revealed the design to the Infinity community.

With architectural plans, the required studies completed, and a letter of commitment from the bank, Infinity approached the township for building permits. The process at the township level included a project review by staff and the township engineers. An unforeseen delay arose because Penn DOT, not the township, owns Locust Lane. To proceed, we needed approval from Penn DOT, which required more traffic studies than we had already done, including impact assessment of how expected traffic would affect the Locust Lane traffic lights to the east and west of us. The original township requirement had us expanding the road to include a turn lane, moving a fire hydrant, and relocating an electric pole. After a great deal of back and forth with the township, Penn DOT, and our land development engineers, we reached agreement that Infinity would adjust some curbing on both sides of Locust Lane, install some signage, and provide some road painting.

The last piece was approval by the township to build. Our request was delayed twice because they tabled our requests. Due to our very tight building timeline, these small delays were causing significant questions and uncertainty of whether construction could

begin soon enough to complete the building in time for school to start in the fall of 2017. Late in the summer of 2017, Lower Paxton Township approved Infinity to begin construction. One obstacle remained, financing the entire project.

A construction loan was promised by a local traditional bank with the stipulation that \$1 million be raised prior to groundbreaking. Fundraising was already underway with the help of a group of parent volunteers and a new development director, but raising \$1 million dollars in that short amount of time proved to be impossible. Construction was delayed again until the financial package was secured.

Crossroads

Paying to rent one building while simultaneously paying contractors to build the other was out of the question. It would take far too much of our savings from the past 12 years and leave nothing to invest in the project. The timeline for breaking ground in order to have the building finished for the start of school was closing fast, but waiting another year to begin, might also create a devastating financial future. Two options remained on the table, close the school prior to the 2017-2018 school year or go for it in a “Do or die” way. The Board of Trustees and Directors made the decision to move forward and keep the school open. Sadly, in order to save money and get the construction moving, some pieces of the original building plans were removed. These cuts included not paving the back parking lot and leaving the play area untouched. Only things absolutely essential to holding classes remained in the plans.

The board was reaching out to as many people as possible asking for philanthropic funding, advice, and alternative funding options. Late in 2016, Member’s 1st Credit Union was contacted, and they came back to us with a different funding package than we had secured with the traditional bank. Seeing us as a non-profit organization, which we are, and understanding the need for time to fundraise over a million dollars, they gave Infinity a construction loan and a bridge loan with terms that allowed Infinity to break ground in January 2017 and raise the money in years following. Parents and families responded to the need for funding with pledges and donations that pulled us from the precipice of closure and secured Infinity’s future. The trade-off for keeping the school open was paying two loans over the course of the next 10 years.

Moving Forward

Our architects and contractors worked under a very tight timeline and completed our building in time for school to begin in September 2017, just a week later than originally planned. The original plan for expansion of the student body was to add 1 classroom per year for 5 consecutive years. In order to increase revenue quickly, three new classrooms were added, additional staff hired, and all the contractors were required to get full child clearances so they could be on the property after school began to finish the final details of the building.

Finally, Our Infinity community successfully took on the challenge of moving the entire contents of our school from Penbrook to Locust Lane. This first year was a big stretch for our staff and administration, but they rose to the challenge. As has always been the case at Infinity, teachers and parents found creative solutions to fill temporarily the needs of library shelving, cleaning the facility, recess, traffic issues, and more.

Priority #1 = Fundraising

The current school budget is balanced to cover the minimum payments of our financial obligations each month plus the balloon payment on the smaller of the two loans. That is good news, but not the entire picture. Raising significant funds is critical for the longevity of the school. Both the construction loan and the bridge loan include a balloon payment that will be due with the last payment of each.

It is true to say the school is not in danger of closing this year. However, we need to raise \$200,000 each year from now until 2027 to have the money to pay the balloon payment on the construction loan. If we don't do this, that part of the debt will accumulate to reach a total of \$2,564,000 due April 2027.

To say it another way, **if we raise \$0 through fundraising, the school is not in immediate danger of closing; however, the debt of the balloon payment will continue to pile up and we will be in the same place in 2027 that we were in 2017—on the brink of closing our doors.**

Where is the money already gained through fundraising and where will future funds go?

Funds donated to Infinity Charter School go into an account called "Discretionary Funds Available" (a.k.a. Savings) and are prioritized to be spent in the following way:

#1—Money is allocated to Infinity's Contingency Fund. This account will receive funds until it reaches 20% of the school's yearly budget--approximately \$500,000. This money is restricted to building maintenance and unknown events that would threaten the school's operation. For example, the elevator or furnace breaking down with a large sum repair, a roof leaking, or the Commonwealth holding back funds from school districts due to not passing a state budget.

#2—After priority #1 is met, funds available will be used to pay the balloon payment of the construction loan (\$285,000 per year for 9 years totaling \$2,564,000 due 4/2027).

#3—After priority #2 is met, funds available will be used to pay down the principal of the loans to reduce our interest payments and pay the loan faster.

TOTAL ADMINISTRATIVE EXPENSES	\$944,869	\$1,144,603	\$1,165,719	\$1,079,694	\$1,105,174
TOTAL EXPENSES	\$2,417,133	\$2,807,998	\$2,899,143	\$2,884,142	\$2,983,249
TOTAL REVENUES	\$2,638,688	\$2,949,644	\$3,004,928	\$3,064,627	\$3,125,431
TOTAL Discretionary Funds Available	\$221,555	\$141,646	\$105,785	\$180,485	\$142,182
Construction Balloon Payment:		(\$285,000)	(\$285,000)	(\$285,000)	(\$285,000)
Gap:	\$221,555	(\$143,354)	(\$179,215)	(\$104,515)	(\$142,818)

The "Gap" plus replenishing the Contingency Fund each year = \$200,000 fundraising goal

Fundraising is now a normal and necessary part of Infinity school life.

Fundraising is a normal and necessary piece of Infinity Charter School life. Families take active roles in raising money because the goals are too large for any one person or even small group to tackle alone. Supporting Infinity Charter School in this way is part of building the future for our children by making their education a top priority.

Our Fundraising Model

Sustainable fundraising is a community effort. We invite everyone to become part of our mission to ignite learning for intellectually gifted children in central PA. This model diversifies our funding sources and creates spaces for philanthropy that connects with the different giving goals of our donors.

